

Subcommittee Holds Hearing to Examine Federal Retirement Thrift Savings Plan

WASHINGTON, D.C. – On Tuesday, November 3, 2009 at 2:00 p.m. in room 2154 of the Rayburn House Office Building, the Subcommittee on Federal Workforce, Postal Service, and the District of Columbia will hold a hearing entitled, "Managing the Thrift Savings Plan to Thrive."

The purpose of the hearing is to examine recent developments regarding the Thrift Savings Plan (TSP), a retirement savings and investment plan for federal employees, following the enactment of the "Thrift Savings Plan Enhancement Act" and in light of additional legislative and regulatory proposals. Moreover, the hearing will also examine recent capital investments undertaken by the Federal Retirement Thrift Investment Board, the federal agency responsible for administering the TSP.

On June 22, 2009, President Barack Obama signed H.R. 1256, tobacco reform legislation that included provisions, collectively known as the "Thrift Savings Plan Enhancement Act," to enhance the operation of the TSP. Specifically, the legislation included several key enhancements to the TSP, including automatic enrollment in the plan and immediate agency contributions for all new federal civilian employees and the addition of a new Roth 401(k) investment option, which will allow participants to contribute after-tax dollars to the plan. In addition, the legislation also authorizes, though does not require, the addition of a mutual fund investment feature.

In response to the new law, the Federal Retirement Thrift Investment Board has undertaken a series of steps designed to implement the required changes to the TSP as well as further examine whether optional modifications, such as the addition of a mutual fund investment option, would serve the best interests of TSP participants. Moreover, in the past year, the Board has also embarked on an \$18 million capital investment initiative aimed at modernizing the TSP's IT infrastructure and security.

"Given the detrimental impact of the global financial crisis on the retirement savings of millions of Americans, it is critically important that we examine the ability of the TSP, the world's largest defined contribution plan, to secure the future retirement income of our federal employees," said Chairman Stephen F. Lynch. "Recent legislative changes to the TSP also deserve our close

attention, as continued oversight of the TSP will serve to ensure that it remains a model 401(k) plan."

WITNESS LIST

Panel 1

Greg Long
Executive Director
Federal Retirement Thrift Investment Board

James Sauber
Chair
Employee Thrift Advisory Council

J. David Cox
National Secretary-Treasurer,
American Federation of Government Employees, AFL-CIO

Colleen Kelley
President,
National Treasury Employees Union

Margaret Baptiste
President
National Active and Retired Federal Employees Association

Richard Strombotne

ETAC Representative
Senior Executives Association

Colonel Michael Hayden, USAF-Ret
Deputy Director, Government Relations,
Military Officers Association of America

To View a webcast of the hearing, [CLICK HERE](#)

Documents and Links

[Prepared Testimony of Mr. Greg Long](#)

[Prepared Testimony of Mr. James Sauber.pdf](#)

[Prepared Testimony of Mr. J. David Cox](#)

[Prepared Testimony of Ms. Colleen Kelly](#)

[Prepared Testimony of Ms. Margarete Baptiste](#)

[Prepared Testimony of Mr. Richard Strombotne](#)

[Prepared Testimony of Colonel Michael Hayden](#)